

Message Text

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ORIGIN EB-11

INFO OCT-01 EA-11 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOTE-00 INR-10 NSAE-00 RSC-01 FAA-00 FEA-02 SS-20

NSC-07 L-03 H-03 PA-04 USIA-15 PRS-01 SPC-03 /101 R

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P 152258Z MAR 74

FM SECSTATE WASHDC

TO AMEMBASSY MANILA PRIORITY

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E.O. 11652: N/A

TAGS: ETRN, RP

SUBJECT: PAL FUEL REQUIREMENTS

REF: (A) MANILA 2972; (B) STATE 42456; (C) STATE 46824

1. FYI: FOLLOWING ARE PERTINENT CONFIDENTIAL CRITERIA
WHICH NOW BEING USED BY FEDERAL ENERGY OFFICE FOR
ADJUSTING ALLOCATION BASES OF INTERNATIONAL AIR CARRIERS:

A. QUOTE. NO 1972 SERVICE: A LEVEL OF SERVICE SHOULD BE
MAINTAINED TO ACCOMMODATE ANTICIPATED DEMAND.

B. MINIMAL SERVICE: NO INTERNATIONAL AIRLINE'S ACCESS
TO AN AUTHORIZED UNITED STATES MARKET SHOULD BE CUT BELOW
TWO FLIGHTS PER WEEK. IN DOMESTIC SERVICE, MINIMUM FRE-
QUENCY SHALL BE THAT ORDERED BY THE CAB.

C. NEW SERVICES: AN INCREASED ALLOTMENT FOR INAUGURATION
OF A REASONABLE NUMBER OF NEW SERVICES WILL BE ALLOWED,
PROVIDED THE UNITED STATES HAS GRANTED SUCH AUTHORITY SINCE
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1972.

D. EXPANDED SERVICE: THOSE AIRLINES WHICH HAVE ACHIEVED REASONABLE LOAD FACTORS ON SERVICES EXPANDED SINCE 1972 SHOULD BE PERMITTED TO MAINTAIN SUFFICIENT SERVICE TO ACCOMMODATE ANTICIPATED DEMAND. CHANGE IN EQUIPMENT ALONE, HOWEVER, WILL NOT BE SUFFICIENT JUSTIFICATION FOR AN ADJUSTMENT

IN FUEL ALLOCATION.

E. NEW PERMIT HOLDERS: THOSE AIRLINES WHICH HAVE OBTAINED CAB SECTION 401 AND 402 OPERATING PERMITS SINCE 1971 WILL BE AUTHORIZED ALLOCATION COVERING UP TO 95 PERCENT OF ESTIMATED FUEL NEEDS FOR FLIGHTS PROPOSED DURING CAB PERMIT PROCEEDINGS.

F. AIRLINES OF RECORD: AIRLINES WHICH OPERATED CHARTER FLIGHTS TO, FROM AND WITHIN THE UNITED STATES IN 1972 WILL BE AUTHORIZED UP TO 95 PERCENT OF THEIR 1972 BASE PERIOD FUEL USE. IF THE AIRLINE CAN DEMONSTRATE SUSTAINED GROWTH IN 1973 ABOVE 1972 TRAFFIC LEVELS, TOTAL FUEL USAGE MAY BE INCREASED TO ACCOMMODATE SUCH GROWTH. FEDERAL ENERGY OFFICE IN COORDINATION WITH THE CIVIL AERONAUTICS BOARD, AND THE DEPARTMENT OF STATE FOR AIRLINES OPERATING UNDER 402 PERMITS, MAY AUTHORIZE AN ALLOCATION OF FUEL TO ACCOMMODATE THE GROWTH. END QUOTE. END FYI.

2. US POSITION ON FUEL ALLOCATION REGULATION IS TO ASSURE THAT ALL INTERNATIONAL AIR CARRIERS HAVE A FAIR AND EQUAL OPPORTUNITY TO SECURE SCARCE FUEL. ABSENT UNUSUAL CIRCUMSTANCES, NO CARRIER SHOULD BE GIVEN 100 PERCENT OF ITS FUEL REQUIREMENTS WHILE OTHER CARRIERS ARE HELD TO 95 PERCENT OF 1972 BASE PERIOD USAGE.

3. DEPT HAS TOLD PAL ATTORNEY THAT IF PAL CAN PRESENT VALID CASE UNDER FEO CRITERIA WITH SUPPORTING DATA SHOWING SUSTAINED GROWTH, APART FROM TEMPORARY HOMECOMING PROGRAM (SEE PARA 3, REF B), DEPT WOULD SUPPORT ADJUSTMENT. DATA SO FAR RECEIVED, HOWEVER, REFLECT ONLY HOMECOMING PERIOD, AND PAL'S JUSTIFICATION CITES HOMECOMING PROGRAM AS PRINCIPAL FACTOR.
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4. RE BONDED FUEL SUPPLIES AT HONOLULU, CHEVRON INFORMED DEPT BONDED SUPPLIES AT HONOLULU EXHAUSTED AND IT IS SUPPLYING FROM LIMITED STOCKS OF JP-4, FOR WHICH PAL HAS RECEIVED ALLOCATION AS NOTED REF A. STATUS OF MOVE TO INCLUDE BONDED FUEL UNDER ALLOCATION PROGRAM IS AS INDICATED REF C. IT SHOULD BE NOTED ALLOCATION DOES NOT GUARANTEE AVAILABILITY OF FUEL. WE HOPE FUEL SITUATION

MAY EASE IN COMING WEEKS BUT CANNOT GUARANTEE ANY USER
AGAINST SHORTAGES OR FURTHER PRICE INCREASES. KISSINGER

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Message Attributes

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